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# ONTARIO'S GROWING GAP

## The Role of Race and Gender

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**About the author**

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# Executive Summary

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A **PREVIOUS STUDY** by the Canadian Centre for Policy Alternatives shows the income gap between the rich and the rest of Ontario families has gotten worse, not better, over the past generation.

This study looks at 2006 census data to describe the labour market experience of racialized Ontarians. It relies on Census data for Ontarians who self-describe as ‘visible minority,’ since Census terminology has not been updated to reflect the concept of racialization.

The Census findings show a striking difference between racialized and non-racialized Ontarians. Racialized Ontarians are far more likely to live in poverty, to face barriers to Ontario’s workplaces, and even when they get a job, they are more likely to earn less than the rest of Ontarians.

Among the core findings:

**Racialized Ontarians want work but have trouble finding it:** While a larger share of racialized workers in Ontario were looking for work, fewer of them found jobs compared to the rest of Ontarians. Higher unemployment rates cut across the majority of racialized groups, accounting for 90 per cent of the racialized population. In 2005, long before the Great Recession wreaked havoc on Canada’s employment scene, the unemployment rate for racialized workers in Ontario was high — 8.7 per cent — compared to the 5.8 unemployment rate for the rest of Ontarians.

**Racialized Ontarians are paid less:** Sexism and racial discrimination pack a double wallop for racialized women in Ontario, seriously hampering their earnings. They made 53.4 cents for every dollar non-racialized men made in 2005. Racialized

men in Ontario made 73.6 cents for every dollar than non-racialized men made. Racialized women made 84.7 cents for every dollar that non-racialized women made.

**Controlling for age, immigration status, and education doesn't eliminate the gap:** First-generation racialized Ontarians aged 25–44 who have a university education earn less than non-racialized immigrants of the same age and educational attainment. The gap is widest for first-generation immigrants: racialized women make 47 cents for every dollar male, non-racialized immigrants make. For second-generation that gap persists at 54 cents.

**These labour market experiences result in much higher poverty rates for racialized Ontarians:** While 6 per cent of non-racialized families lived in poverty in 2005, more than three times the share of racialized families, 18.7 per cent, lived in poverty.

The findings show the employment and earnings gap between racialized Ontarians and the rest of the population remains stubbornly high — despite strong economic performance that Ontario enjoyed when this Census data was collected. It points to an overwhelming need for government to step in with policies to help break down racial and gender barriers in Ontario's labour market.

# A Snapshot of the Labour Market Experience of Racialized Ontarians

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Census data provides a snapshot of Ontarians' labour market experience by gender and by racialized group.<sup>1</sup> The 2006 census data clearly illustrate the discrimination experienced by racialized Ontarians in the labour market. Racialized workers have lower incomes than non-racialized workers; they have higher unemployment rates, and they are more likely to live in poverty.<sup>2</sup> This paper compares incomes, labour market experience, and incidence of low income for racialized and non-racialized Ontarians. It also looks at ways in which gender and race interact in labour market outcomes.

## **PARTICIPATION, EMPLOYMENT AND UNEMPLOYMENT RATES**

Table 1 shows the participation, employment and unemployment rates for racialized and non-racialized Ontarians in 2005.<sup>3</sup> Racialized Ontarians had a slightly higher participation rate than non-racialized workers. While the participation rate for racialized workers was 67.8 per cent it was 66.9 per cent for non-racialized workers. However, racialized workers also had higher unemployment rates. Comparisons of unemployment rates both for the total population and by gender shows higher unemployment rates for racialized workers. Racialized women had an unemployment rate that was 4.2 percentage points higher (75 per cent) than non-racialized men.

**TABLE 1 Employment, Unemployment and Participation Rates, Ontario 2005 (Per cent)**

	Racialized			Non Racialized		
	Men	Women	Total	Men	Women	Total
Participation rate	73.6	62.5	67.8	72.2	61.9	66.9
Employment rate	67.9	56.4	61.9	68.1	58.2	63
Unemployment rate	7.8	9.8	8.7	5.6	6	5.8

Source: Statistics Canada, 2006 Census. Catalogue Number 97-562-XCB2006013.

**TABLE 2 Employment, Unemployment and Participation Rates, by Racialized Group, Ontario 2005 (Per cent)**

	Participation Rate	Employment Rate	Unemployment Rate
Total racialized population	67.8	61.9	8.7
Chinese	63.4	58.3	8.0
South Asian [3]	68.3	62.2	9.0
Black	71.1	63.8	10.2
Filipino	75.7	71.6	5.5
Latin American	72.4	66.3	8.4
Southeast Asian [4]	68.4	62.2	9.1
Arab/West Asian	62.3	55.7	10.7
Korean	58.1	53.1	8.5
Japanese	61.4	58.0	5.5
Visible minority, n.i.e. [5]	71.2	65.4	8.1
Multiple visible minority [6]	72.4	65.9	9.0
Non racialized [7]	66.9	63.0	5.8

Notes: [3] For example, 'East Indian', 'Pakistani', 'Sri Lankan', etc. [4] For example, 'Vietnamese', 'Cambodian', 'Malaysian', 'Laotian', etc. [5] The abbreviation 'n.i.e.' means 'not included elsewhere'. Includes respondents who reported a write-in response such as 'Guyanese', 'West Indian', 'Kurd', 'Tibetan', 'Polynesian', 'Pacific Islander', etc. [6] Includes respondents who reported more than one visible minority group by checking two or more mark-in circles, e.g., 'Black' and 'South Asian'. [7] Includes respondents who reported 'Yes' to the Aboriginal identity question (Question 18) as well as respondents who were not considered to be members of a visible minority group. Source: Statistics Canada, 2006 Census. Catalogue Number 97-562-XCB2006013.

Table 2 shows a breakdown of labour force characteristics by racialized groups. All racialized Ontarians — except those who identify as Chinese, Korean, West Asian/ Arab and Japanese — have higher participation rates than non-racialized Ontarians. Despite this willingness to work, racialized Ontarians face higher unemployment rates. All racialized communities in Ontario, except for those who identify as Filipino or Japanese, have higher unemployment rates than do non-racialized Ontarians. The differences between the unemployment rates are quite dramatic. Those who identify as Arab/West Asian have an unemployment rate 84 per cent higher

than non-racialized Ontarians. Those who identify as Black have an unemployment rate 76 per cent higher than non-racialized Ontarians.

## EMPLOYMENT INCOMES

The discrimination that racialized Ontarians face is not limited to access to employment. Table 3 shows that racialized workers are paid 77.5 cents for every dollar that non-racialized workers are paid. Looking at employment earnings by gender provides a richer and more complex picture. Racialized women were paid 53.4 cents for every dollar non-racialized men were paid in 2005. Racialized men in Ontario made 73.6 cents for every dollar than non-racialized men made. Racialized women made 84.7 cents for every dollar that non-racialized women made. The impact of sexism on both racialized and non-racialized women could be the cause of this reduced earnings gap.

The interaction between race and gender results in a difference in the wage gap between men and women in racialized and non-racialized populations. The difference between racialized men and women was smaller than the difference between non-racialized men and women. Racialized women made 72.5 cents for every dollar that racialized men made while non-racialized women made 63 cents for every dollar that non-racialized men made. Non-racialized women made 86 cent for every dollar racialized men made.

In part, this could reflect the impact of gender in labour market outcomes. However, when the data is disaggregated by racialized groups, this relationship varies. The size of this difference also varies with the different measures of income.

The data in Table 3 show differences in employment income for all workers. Often, when trying to quantify the impact of discrimination, it is considered more appropriate to compare incomes of full-time, full-year workers. These comparisons can be considered to isolate the impact of race and gender. However, access to full-time, full-year employment is one of the barriers that racialized workers and non-racialized women workers face in the labour market.<sup>4</sup> Table 4 shows full-time, full year racialized workers earn 79.2 cents for each dollar that non-racialized workers earn. The gap between racialized women and non-racialized men shrinks from 53.4 cents to 60 cents.

**TABLE 3 Average Employment Income, Ontario, 2005**

	Racialized	Non-racialized	Differential (%)
Men	37,010	50,255	73.6
Women	26,840	31,682	84.7
Total	32,042	41,335	77.5

Source: Statistics Canada, 2006 Census. Catalogue Number 97-563-XCB2006060.

**TABLE 4 Average Employment Income, Ontario, 2005** Full-time, full year

	Racialized	Non-racialized	Differential (%)
Men	50,612	66,401	76.2
Women	39,901	46,389	86.0
Total	45,905	57,928	79.2

Source: Statistics Canada, 2006 Census. Catalogue Number 97-563-XCB2006060.

**TABLE 5 Average Employment Income, Ontario, 2005**  
By generation, 25–44, with university education

	Racialized		Non-racialized		Differential (%)	
	Men	Women	Men	Women	Men	Women
1st generation	48,057	34,337	72,732	42,675	66.1	80.5
2nd generation	60,066	44,472	81,581	49,805	73.6	89.3
3rd or more generation	73,351	47,005	81,993	49,289	89.5	95.4

Source: Statistics Canada, 2006 Census. Catalogue Number 97-563-XCB2006060.

**TABLE 6 Average Employment Income By Racialized Group, Ontario, 2005**

	Men	Women	Total
Arab	36,894	24,258	31,963
Black	33,497	27,485	30,337
Chinese	41,283	30,129	35,717
Filipino	35,323	28,798	31,472
Latin American	33,218	22,518	28,145
Japanese	73,079	40,572	56,170
Korean	32,828	22,326	27,757
Vis min — NIE	35,943	26,583	31,201
Multiple VM	39,940	29,156	34,613
South Asian	37,198	24,897	31,711
Southeast Asian	36,506	24,549	30,619
West Asian	30,212	21,660	26,502
Total Racialized	37,010	26,840	32,042
Non-racialized	50,255	31,682	41,335

Source: Statistics Canada, 2006 Census. Catalogue Number 97-564-XCB2006009 and Catalogue Number 97-563-XCB2006060



Often, differences in outcomes in the labour market are attributed to differences in educational attainment, immigration status or factors other than race. To control for differences in educational attainment (higher for racialized workers) and in age structure (younger racialized workers), Table 5 compares incomes for 25- to 44-year-old workers who have completed university education, by immigration generational status.

This data shows that the gap in earnings is widest for first-generation racialized workers. This illustrates the differential impact of immigration on racialized and non-racialized workers. The earnings gap persists for second-generation workers. It is larger for men than for women, but remains in double digits for women. It narrows more for third-generation workers, however. the gap is not closed. Comparing third-generation workers requires caution as the sample size for racialized workers is much smaller and the standard error much larger.

Table 6 shows average employment income by racialized group. It shows that the pattern of lower employment earnings for racialized workers is consistent across all racialized groups — except for the very small number of Ontarians who identify as Japanese.

These differences in access to employment and in employment incomes are reflected in higher poverty rates for racialized Ontarians. Table 7 shows the shocking difference in poverty rates between racialized and non-racialized Ontarians. It

**TABLE 7 After Tax Low Income by Racialized Group, Ontario, 2005** (Per cent)

	In Economic Families			Not in Economic Families		
	Male	Female	Total	Male	Female	Total
Arab	30.6	31.4	31.0	47.8	51.2	48.9
Black	21.8	24.8	23.4	38.4	43.9	41.1
Chinese	15.6	15.5	15.5	53.8	53.5	53.6
Filipino	7.4	7.7	7.5	33.2	45.6	43.1
Latin American	17.9	19.1	18.5	41.9	54.6	47.2
Japanese	6.4	7.4	7.0	28.6	36.2	33.0
Korean	34.4	34.2	34.3	62.9	69.3	66.5
Vis min—NIE	14.0	15.2	14.7	37.2	46.4	41.8
Multiple VM	13.1	13.7	13.5	36.6	37.5	37.1
South Asian	17.3	17.8	17.6	41.8	46.6	43.8
Southeast Asian	16.6	18.1	17.4	45.2	53.1	48.7
West Asian	32.7	35.2	34.0	52.4	62.3	55.9
Total Racialized	18.3	19.0	18.7	44.1	48.7	46.4
Total Population	8.4	9.5	8.9	27.3	26.8	27.0
Non-racialized	5.4	6.4	6.0	24.2	23.4	23.8

Source: Statistics Canada, 2006 Census. Catalogue Number 97-564-XCB2006009.

shows poverty rates for those living in economic families and for single individuals.<sup>5</sup> While 6 per cent of non-racialized families lived in poverty in 2005, more than three times the share of people, 18.7 per cent, lived in poverty. These higher poverty rates cut across all racialized groups. The poverty rates for single individuals show a similar pattern of higher poverty rates for all racialized groups.

Table 8 shows the racialized labour force by industry. The total figure at the bottom of the table shows the racialized share of the total labour force, 10.9 per cent for racialized men and 10 per cent for racialized women. Any industry that has a racialized female labour force share lower than 10 per cent has an under-representation of racialized women workers. Any industry that has a higher share has an over-representation of racialized women workers. Similarly, any industry that has a racialized male labour force share lower than 10.9 per cent has an under-representation of racialized male workers. Any industry that has a higher share has an over-representation of racialized male workers. Racialized men are most over-represented in

**TABLE 8 Racialized Share of Labour Force by Industry, Ontario, 2005 (Per cent)**

	Male	Female
Primary industries and Utilities	6.0	2.6
Construction	8.7	1.3
Manufacturing	16.8	9.5
Wholesale trade	14.2	9.3
Retail trade	10.1	11.2
Transportation and warehousing	17.4	5.0
Information and cultural industries	12.8	10.1
Finance and insurance	12.4	17.5
Real estate and rental and leasing	11.2	9.1
Professional, scientific and technical services	13.5	9.5
Management of companies and enterprises	10.0	11.8
Administrative and support, waste management and remediation services	12.9	11.6
Educational services	5.3	8.5
Health care and social assistance	4.3	16.3
Arts, entertainment and recreation	6.4	5.4
Accommodation and food services	12.9	12.8
Other services (except public administration)	9.3	12.7
Public administration	5.9	6.6
All industries	10.9	10.0

Source: Statistics Canada, 2006 Census. Catalogue Number 97-564-XCB2006009.

manufacturing, transportation and warehousing, and professional, technical and scientific services. Racialized men are most under-represented in public administration, educational services, health care and social assistance. Racialized women are the most over-represented in finance and insurance and in health care and social assistance. They are most under-represented in the traditional male primary industries and construction.

Table 9 shows the racialized labour force by occupation. The total figure at the bottom of the table shows the racialized labour force, 10.9 per cent for racialized men and 10 per cent for racialized women. Any occupation that has a racialized female labour force share lower than 10 per cent has an under-representation of racialized women workers. Any occupation that has a higher share has an over-representation of racialized women workers. Similarly, any occupation that has a racialized male labour force share lower than 10.9 per cent has an under-representation of racialized male workers, any occupation that has a higher share has an over-representation of racialized male workers. Racialized men are most over-represented in natural and applied sciences occupations, processing, manufacturing and utilities occupations. Racialized women are the most over-represented in health occupations, and in business, finance and administration.

Because these data are at a very broad industrial and occupational level, and because this table includes all racialized groups, they do not provide as clear a picture of the racial segregation as more detailed data can provide.<sup>6</sup>

**TABLE 9 Racialized Share of Labour Force by Occupation, Ontario, 2005 (Per cent)**

	<b>Men</b>	<b>Women</b>
Management	10.7	6.2
Business, finance and administration	8.0	14.6
Natural and applied sciences and related	22.5	7.1
Health	5.8	17.0
Social science, education, government service and religion	5.4	10.3
Art, culture recreation and sport	7.1	7.2
Sales and Service	9.6	11.3
Trades, transport and equipment operators and related	14.4	1.4
Occupations unique to primary industry	5.2	1.6
Occupations unique to processing, manufacturing and utilities	18.7	15.4
<b>Total</b>	<b>10.9</b>	<b>10.0</b>

Source: Statistics Canada, 2006 Census. Catalogue Number 97-564-XCB2006009.

# Conclusion

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THE 2006 CENSUS DATA show that racialized Ontarians face labour market discrimination and higher poverty rates than non-racialized Ontarians. This discrimination is reflected in both employment incomes and unemployment rates. These differences in outcomes cut across the vast majority of racialized groups. While controlling for immigration status, age, and education reduces differences in employment incomes, particularly between racialized and non-racialized women, it doesn't eliminate them. These findings support the need for improved government policies to address the impacts of discrimination on racialized workers in Ontario and to remove barriers in the workplace.

This paper provides an overview of the complex interaction between race and gender in labour market outcomes. It also provides highly aggregated overview of the occupational and industrial distribution of racialized workers in Ontario. The 2006 Census data should be analyzed on further on these dimensions.

It is important to remember that these data reflect the labour market before the Great Recession of 2008/09. The available data shows that the impact of the recession was felt disproportionately by immigrants and aboriginal people.<sup>7</sup> Further, the over-representation of racialized men in the hard-hit manufacturing sector will result in a disproportionate impact on them.

# Notes

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**1** The term racialized is used to acknowledge “race” as a social construct and a way of describing a group of people. Racialization is the process through which groups come to be designated as different and on that basis subjected to differential and unequal treatment. In the present context, racialized groups include those who may experience differential treatment on the basis of race, ethnicity, language, economics, religion (Canadian Race Relations Foundation, 2008). This paper uses data from the 2006 Census on visible minority status. Visible Minority status is self-reported and refers to the visible minority group to which the respondent belongs. The Employment Equity defines visible minorities as ‘persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour. Census respondents were asked” Is this person...white, Chinese, South Asian, Black, Filipino, Latin American, Southeast Asian, Arab, West Asian, Japanese, Korean, Other (specify).

**2** Jackson, Andrew (2009) *Work and Labour in Canada Critical Issues 2nd Edition*. Canadian Scholars Press: Toronto pp. 142–146.

**3** The participation rate is the share of the working age population that is in the labour force. The labour force is the sum of people who are employed and people who are unemployed. The employment rate is the share of the labour force that is employed. The unemployment rate is the share of the labour force that is unemployed.

**4** Cranford Cynthia J and Leah F. Vosko (2006) Conceptualizing Precarious Employment: Mapping Wage Work across Social Location and Occupational Context in *Precarious Employment Understanding Labour Market Insecurity in Canada*. McGill-Queen’s University Press: Montreal&Kingston p. 61–66.

**5** Statistics Canada data classifies single individuals as “not in economic families”

6 Teelucksingh, Cheryl and Galabuzi, Grace-Edward. (n.d.). Working Precariously: The impact of race and immigrants status on employment opportunities and outcomes in Canada. *Canadian Race Relations Foundation*, Table 20 p.17

7 Grant, Tavia and Yang, Jennifer. (2009, July 27). Immigrants take brunt of recession, recover less quickly. *The Globe and Mail*. Retrieved on July 27, 2009 from <http://www.theglobeandmail.com/news/national/immigrants-take-brunt-of-recession-recover-less-quickly/article1231032/> and Weeks, Carly (2010, May 14) Natives bore brunt of job losses in Canada Statscan Study *The Globe and Mail* Shows. Retrieved on May 14, 2010 from <http://www.theglobeandmail.com/news/national/natives-bore-brunt-of-job-losses-in-canada-statscan-study-shows/article1568350/>